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FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC PRIORITY 3267
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RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L TEL AVIV 001918

SENSITIVE
SIPDIS

E.O. 12958: DECL: 09/03/2019
TAGS: PREL PGOV IS
SUBJECT: FORMER PRIME MINISTER INDICTED, FORMER MINISTERS
SENT TO PRISON

REF: A. TEL AVIV 01717
 1B. TEL AVIV 01579
 1C. TEL AVIV 01437
 1D. TEL AVIV 01337

Classified By: Political Counselor Marc J. Sievers for reasons 1.4 (b), (d).

11. (SBU) The past few days have highlighted, for better and for worse, corruption and ethical conduct among Israel's political elite. Former Prime Minister Ehud Olmert was indicted on August 30 on charges breach of trust and fraudulent conduct. Meantime, Olmert's former Finance Minister Avraham Hirschson on September 1 reported to prison to serve more than five years after being convicted of stealing nearly a half-million dollars from a labor federation. Another former minister, Shlomo Benizri of SHAS, reported to prison the same day to serve a four year sentence after he was convicted of breach of trust, taking bribes, obstructing justice, and committing fraud. Finally, testimony began this week in the trial of former President Moshe Katsav, who is charged with sexual offenses against three of his former employees, including rape, indecent acts, and sexual harassment. Knesset Speaker Reuven Rivlin, commenting on Hirschson and Benizri going to jail on the same day, said it was a sad day for the Knesset and for the culture of government in Israel, but he said it proves that all are equal before the law.

12. (SBU) Political corruption in Israel has not had the stigma it has in the United States, and past Attorneys General have either not made prosecuting such crimes a priority, or they have failed to methodically build their cases so that indictments led to convictions. Attorney General Menachem Mazuz, however, has pursued corruption cases with vigor since his appointment in 2004, and Israeli commentators speculate that attacks by politicians and lawyers against him have further motivated him to pursue the investigations. Mazuz's thorough investigations, his determination, and his history of success prosecuting corruption cases does not bode well for Foreign Minister Avidgor Liberman, the target of what is likely Mazuz's last high-profile case before he steps down in the coming months. Commentators expect Mazuz to indict Liberman on charges of bribery, money laundering, obstruction of justice, fraud, and breach of trust. Mazuz's replacement -- early rumors point to Noam Solberg -- would then prosecute the case on behalf of the government.

13. (C) COMMENT: Israeli media covered these events in great detail this week, and the public appears largely satisfied with the capacity of the legal system to hold politicians to account. The next 12 to 18 months, however, should shed additional light on Israeli legal and cultural norms regarding corruption, as the trial of a former prime minister, along with a likely case against a combative foreign minister, will keep the issue at center stage. An additional factor that will help determine how corruption is

viewed in Israel will be the conduct of the next attorney general. If he or she is reluctant to expend resources on corruption or ethics-related cases, it could undermine any deterrent effect that might have emerged under Mazuz's tenure.

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